## REMARKS

With this amendment, Applicant adds claims 29-32. Claims 1 and 3-32 are all the claims pending in the application.

## 1. Claim Rejections Under 35 U.S.C. § 103

The Examiner has rejected claims 1, 3, 4, 6, 7, 11, 14-18, 24, 27 and 28 under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 5,361,203 to Hiyama et al. ("Hiyama") in view of U.S. Patent No. 6,690,417 to Yoshida et al. ("Yoshida"). For at least the following reasons, Applicants traverse the rejection.

Claim 1 recites an image storage and display system that comprises a "storage control means [that] is capable of changing a compression ratio of said irreversible compressed image data." The Examiner concedes that Hiyama does not disclose this feature but applies Yoshida to allegedly cure the deficiency.

In response to the arguments in the filing of December 21, 2005, that there is no disclosure or suggestion in Hiyama that the compression ratio needs to be varied, the Examiner contends that "the system of Hiyama does need to control the compressed data amount. In other words, the compression ratio needs to be controlled." To allegedly support this contention, the Examiner cites a section of Hiyama that discloses that an alarm is issued to the endoscope devices when the available storage space in storage medium 77 is below a predetermined amount.

U.S. SERIAL NO.: 09/774,885

ATTORNEY DOCKET NO.: Q62892

compression ratio needs to be controlled. The system in Hiyama would work with a fixed

compression ratio, e.g., 1/2. Since there is no disclosure or suggestion of changing the

compression ratio in Hiyama, one skilled in the art can only presume that the data compression

taught by Hiyama is at a fixed ratio.

The Examiner's contention that, because an alarm is used to control the amount of data

Applicants submit that Hiyama does not disclose or suggest that, in compressing data, the

storage in a storage medium, the compression ratio needs to be controlled is logically flawed.

Hiyama discloses that, in the case of an alarm, "the large capacity storage medium 77 can be

exchanged with a new one" by pressing a key on the control device 78. (Col. 6, lines 25-28.)

Therefore, the "controlling" of the amount of data in a storage medium is accomplished by

replacing the storage medium when it is full, not by changing the compression ratio. Varying the

compression ratio is not even suggested by the Examiner's cited passage and is clearly not

needed since a new storage device will store subsequent images.

Accordingly, because the Examiner's contention that there is a need to vary the

compression <u>ratio</u> in the system of Hiyama is not supported, the Examiner's proffered reason for

combining the teachings of Hiyama and Yoshida is also not supported by the prior art.

Therefore, Applicants submit that the Examiner has failed to make a prima facie case of

obviousness.

In addition, the system in Yoshida primarily looks at available space when varying the

compression ratio (Abstract). There is no disclosure or suggestion that other factors (e.g., the

subject matter of the image) are considered when varying the compression ratio. Without such

16

U.S. SERIAL NO.: 09/774,885

ATTORNEY DOCKET NO.: Q62892

teachings, Applicants submit that the data loss associated with the variable compression as taught

by Yoshida may be detrimental in a system that requires high-quality images since it could create

an image with too much data loss.

Although such a loss may not be critical for the digital camera/telephone disclosed in

Yoshida, the loss of image data would be very critical for the medical endoscope images of

Hiyama. Accordingly, one skilled in the art would not have combined the teachings as suggested

by the Examiner, and the Examiner has failed to make a prima facie case of obviousness for this

additional reason.

Because claim 14 recites features similar to that of claim 1 and the Examiner's rejection

of claim 14 is similar to that given in claim 1, Applicants submit that the Examiner has failed to

make a prima facie case of obviousness for at least reasons similar to those given above with

respect to claim 1.

Applicants submit that claims 3, 4, 6, 7, 11, 15-17, 24, 27 and 28 are patentable at least

by virtue of their respective dependencies.

In addition, with respect to claim 24, Hiyama does not disclose or suggest that two

irreversible compressed images are created from the original image data. The Examiner's cited

example (Office Action at page 8) would require two original images, not one as set forth in

claim 24.

2. Allowable Subject Matter

Applicants thank the Examiner for indicating that claims 5, 8-10, 12, 13 and 18-23 are

allowable.

17

U.S. SERIAL NO.: 09/774,885

ATTORNEY DOCKET NO.: Q62892

Applicants also thank the Examiner for indicating that claims 25 and 26 would be

allowable if rewritten in independent form. Applicants hold rewriting these claims in abeyance

until the subject matter regarding claim 1 is resolved.

In the reasons for allowance, the Examiner partially quotes the features of claim 5 and

does not accurately quote the language in claims 8 and 9. Applicants submit that each claim is

patentable based on its own language and not based on any paraphrasing or addition of language

that may have been made by the Examiner.

3. New Claims

With this amendment, Applicants add claims 29-32. Applicants submit that these claims

are patentable at least by virtue of their respective dependencies.

4. Conclusion

In view of the above, reconsideration and allowance of this application are now believed

to be in order, and such actions are hereby solicited. If any points remain in issue which the

Examiner feels may be best resolved through a personal or telephone interview, the Examiner is

kindly requested to contact the undersigned at the telephone number listed below.

18

U.S. SERIAL NO.: 09/774,885

ATTORNEY DOCKET NO.: Q62892

The USPTO is directed and authorized to charge all required fees, except for the Issue Fee and the Publication Fee, to Deposit Account No. 19-4880. Please also credit any overpayments to said Deposit Account.

Respectfully submitted,

Registration No. 54,627

SUGHRUE MION, PLLC

Telephone: (202) 293-7060

Facsimile: (202) 293-7860

WASHINGTON OFFICE 23373
CUSTOMER NUMBER

Date: May 1, 2006